

REFERENCE TITLE: schools; transportation funding

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HB 2362

Introduced by
Representative Reagan

AN ACT

AMENDING SECTION 15-901, ARIZONA REVISED STATUTES; REPEALING SECTION 15-921, ARIZONA REVISED STATUTES; AMENDING SECTION 15-922, ARIZONA REVISED STATUTES; REPEALING SECTIONS 15-945 AND 15-946, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 15-945; AMENDING SECTIONS 15-947, 15-963 AND 15-1001, ARIZONA REVISED STATUTES; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-901, Arizona Revised Statutes, is amended to
3 read:

4 15-901. Definitions

5 A. In this title, unless the context otherwise requires:

6 1. "Average daily attendance" or "ADA" means actual average daily
7 attendance through the first one hundred days or two hundred days in session,
8 as applicable.

9 2. "Average daily membership" means the total enrollment of fractional
10 students and full-time students, minus withdrawals, of each school day
11 through the first one hundred days or two hundred days in session, as
12 applicable, for the current year. Withdrawals include students formally
13 withdrawn from schools and students absent for ten consecutive school days,
14 except for excused absences as identified by the department of education.
15 For computation purposes, the effective date of withdrawal shall be
16 retroactive to the last day of actual attendance of the student.

17 (a) "Fractional student" means:

18 (i) For common schools, until fiscal year 2001-2002, a preschool child
19 who is enrolled in a program for preschool children with disabilities of at
20 least three hundred sixty minutes each week or a kindergarten student at
21 least five years of age prior to January 1 of the school year and enrolled in
22 a school kindergarten program that meets at least three hundred forty-six
23 instructional hours during the minimum number of days required in a school
24 year as provided in section 15-341. In fiscal year 2001-2002, the
25 kindergarten program shall meet at least three hundred forty-eight hours. In
26 fiscal year 2002-2003, the kindergarten program shall meet at least three
27 hundred fifty hours. In fiscal year 2003-2004, the kindergarten program
28 shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005,
29 the kindergarten program shall meet at least three hundred fifty-four hours.
30 In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten
31 program shall meet at least three hundred fifty-six hours. Lunch periods and
32 recess periods may not be included as part of the instructional hours unless
33 the child's individualized education program requires instruction during
34 those periods and the specific reasons for such instruction are fully
35 documented. In computing the average daily membership, preschool children
36 with disabilities and kindergarten students shall be counted as one-half of a
37 full-time student. For common schools, a part-time student is a student
38 enrolled for less than the total time for a full-time student as defined in
39 this section. A part-time common school student shall be counted as
40 one-fourth, one-half or three-fourths of a full-time student if the student
41 is enrolled in an instructional program that is at least one-fourth, one-half
42 or three-fourths of the time a full-time student is enrolled as defined in
43 subdivision (b) of this paragraph.

44 (ii) For high schools, a part-time student who is enrolled in less
45 than four subjects that count toward graduation as defined by the state board

1 of education in a recognized high school and who is taught in less than
 2 twenty instructional hours per week prorated for any week with fewer than
 3 five school days. A part-time high school student shall be counted as
 4 one-fourth, one-half or three-fourths of a full-time student if the student
 5 is enrolled in an instructional program that is at least one-fourth, one-half
 6 or three-fourths of a full-time instructional program as defined in
 7 subdivision (c) of this paragraph.

8 (b) "Full-time student" means:

9 (i) For common schools, a student who is at least six years of age
 10 prior to January 1 of a school year, who has not graduated from the highest
 11 grade taught in the school district and who is regularly enrolled in a course
 12 of study required by the state board of education. Until fiscal year
 13 2001-2002, first, second and third grade students, ungraded students at least
 14 six, but under nine, years of age by September 1 or ungraded group B children
 15 with disabilities who are at least five, but under six, years of age by
 16 September 1 must be enrolled in an instructional program that meets for a
 17 total of at least six hundred ninety-two hours during the minimum number of
 18 days required in a school year as provided in section 15-341. In fiscal year
 19 2001-2002, the program shall meet at least six hundred ninety-six hours. In
 20 fiscal year 2002-2003, the program shall meet at least seven hundred
 21 hours. In fiscal year 2003-2004, the program shall meet at least seven
 22 hundred four hours. In fiscal year 2004-2005, the program shall meet at
 23 least seven hundred eight hours. In fiscal year 2005-2006 and in each fiscal
 24 year thereafter, the program shall meet at least seven hundred twelve hours.
 25 Until fiscal year 2001-2002, fourth, fifth and sixth grade students or
 26 ungraded students at least nine, but under twelve, years of age by
 27 September 1 must be enrolled in an instructional program that meets for a
 28 total of at least eight hundred sixty-five hours during the minimum number of
 29 school days required in a school year as provided in section 15-341. In
 30 fiscal year 2001-2002, the program shall meet at least eight hundred seventy
 31 hours. In fiscal year 2002-2003, the program shall meet at least eight
 32 hundred seventy-five hours. In fiscal year 2003-2004, the program shall meet
 33 at least eight hundred eighty hours. In fiscal year 2004-2005, the program
 34 shall meet at least eight hundred eighty-five hours. In fiscal year
 35 2005-2006 and each fiscal year thereafter, the program shall meet at least
 36 eight hundred ninety hours. Until fiscal year 2001-2002, seventh and eighth
 37 grade students or ungraded students at least twelve, but under fourteen,
 38 years of age by September 1 must be enrolled in an instructional program that
 39 meets for a total of at least one thousand thirty-eight hours during the
 40 minimum number of days required in a school year as provided in section
 41 15-341. In fiscal year 2001-2002, the program shall meet at least one
 42 thousand forty-four hours. In fiscal year 2002-2003, the program shall meet
 43 at least one thousand fifty hours. In fiscal year 2003-2004, the program
 44 shall meet at least one thousand fifty-six hours. In fiscal year 2004-2005,
 45 the program shall meet at least one thousand sixty-two hours. In fiscal year

1 2005-2006 and each fiscal year thereafter, the program shall meet at least
2 one thousand sixty-eight hours. Lunch periods and recess periods may not be
3 included as part of the instructional hours unless the student is a child
4 with a disability and the child's individualized education program requires
5 instruction during those periods and the specific reasons for such
6 instruction are fully documented.

7 (ii) For high schools, a student not graduated from the highest grade
8 taught in the school district, or an ungraded student at least fourteen years
9 of age by September 1, and enrolled in at least a full-time instructional
10 program of subjects that count toward graduation as defined by the state
11 board of education in a recognized high school. A full-time student shall
12 not be counted more than once for computation of average daily membership.

13 (iii) For homebound or hospitalized, a student receiving at least four
14 hours of instruction per week.

15 (c) "Full-time instructional program" means:

16 (i) Through fiscal year 2000-2001, at least four subjects, each of
17 which, if taught each school day for the minimum number of days required in a
18 school year, would meet a minimum of one hundred twenty hours a year, or the
19 equivalent, or one or more subjects taught in amounts of time totaling at
20 least twenty hours per week prorated for any week with fewer than five school
21 days.

22 (ii) For fiscal year 2001-2002, an instructional program that meets at
23 least a total of seven hundred four hours during the minimum number of days
24 required and includes at least four subjects each of which, if taught each
25 school day for the minimum number of days required in a school year, would
26 meet a minimum of one hundred twenty-two hours a year, or the equivalent, or
27 one or more subjects taught in amounts of time totaling at least twenty hours
28 per week prorated for any week with fewer than five school days.

29 (iii) For fiscal year 2002-2003, an instructional program that meets
30 at least a total of seven hundred eight hours during the minimum number of
31 days required and includes at least four subjects each of which, if taught
32 each school day for the minimum number of days required in a school year,
33 would meet a minimum of one hundred twenty-two hours a year, or the
34 equivalent, or one or more subjects taught in amounts of time totaling at
35 least twenty hours per week prorated for any week with fewer than five school
36 days.

37 (iv) For fiscal year 2003-2004, an instructional program that meets at
38 least a total of seven hundred twelve hours during the minimum number of days
39 required and includes at least four subjects each of which, if taught each
40 school day for the minimum number of days required in a school year, would
41 meet a minimum of one hundred twenty-three hours a year, or the equivalent,
42 or one or more subjects taught in amounts of time totaling at least twenty
43 hours per week prorated for any week with fewer than five school days.

44 (v) For fiscal year 2004-2005, an instructional program that meets at
45 least a total of seven hundred sixteen hours during the minimum number of

1 days required and includes at least four subjects each of which, if taught
2 each school day for the minimum number of days required in a school year,
3 would meet a minimum of one hundred twenty-three hours a year, or the
4 equivalent, or one or more subjects taught in amounts of time totaling at
5 least twenty hours per week prorated for any week with fewer than five school
6 days.

7 (vi) For fiscal year 2005-2006 and each fiscal year thereafter, an
8 instructional program that meets at least a total of seven hundred twenty
9 hours during the minimum number of days required and includes at least four
10 subjects each of which, if taught each school day for the minimum number of
11 days required in a school year, would meet a minimum of one hundred
12 twenty-three hours a year, or the equivalent, or one or more subjects taught
13 in amounts of time totaling at least twenty hours per week prorated for any
14 week with fewer than five school days.

15 3. "Budget year" means the fiscal year for which the school district
16 is budgeting and which immediately follows the current year.

17 4. "Common school district" means a political subdivision of this
18 state offering instruction to students in programs for preschool children
19 with disabilities and kindergarten programs and grades one through eight.

20 5. "Current year" means the fiscal year in which a school district is
21 operating.

22 6. "Daily attendance" means:

23 (a) For common schools, days in which a pupil:

24 (i) Of a kindergarten program or ungraded, but not group B children
25 with disabilities, and at least five, but under six, years of age by
26 September 1 attends at least three-quarters of the instructional time
27 scheduled for the day. If the total instruction time scheduled for the year
28 is at least three hundred forty-six hours but is less than six hundred
29 ninety-two hours such attendance shall be counted as one-half day of
30 attendance. If the instructional time scheduled for the year is at least six
31 hundred ninety-two hours, "daily attendance" means days in which a pupil
32 attends at least one-half of the instructional time scheduled for the
33 day. Such attendance shall be counted as one-half day of attendance.

34 (ii) Of the first, second or third grades, ungraded and at least six,
35 but under nine, years of age by September 1 or ungraded group B children with
36 disabilities and at least five, but under six, years of age by September 1
37 attends more than three-quarters of the instructional time scheduled for the
38 day.

39 (iii) Of the fourth, fifth or sixth grades or ungraded and at least
40 nine, but under twelve, years of age by September 1 attends more than
41 three-quarters of the instructional time scheduled for the day, except as
42 provided in section 15-797.

43 (iv) Of the seventh or eighth grades or ungraded and at least twelve,
44 but under fourteen, years of age by September 1 attends more than

1 three-quarters of the instructional time scheduled for the day, except as
2 provided in section 15-797.

3 (b) For common schools, the attendance of a pupil at three-quarters or
4 less of the instructional time scheduled for the day shall be counted as
5 follows, except as provided in section 15-797 and except that attendance for
6 a fractional student shall not exceed the pupil's fractional membership:

7 (i) If attendance for all pupils in the school is based on quarter
8 days, the attendance of a pupil shall be counted as one-fourth of a day's
9 attendance for each one-fourth of full-time instructional time attended.

10 (ii) If attendance for all pupils in the school is based on half days,
11 the attendance of at least three-quarters of the instructional time scheduled
12 for the day shall be counted as a full day's attendance and attendance at a
13 minimum of one-half but less than three-quarters of the instructional time
14 scheduled for the day equals one-half day of attendance.

15 (c) For common schools, the attendance of a preschool child with
16 disabilities shall be counted as one-fourth day's attendance for each
17 thirty-six minutes of attendance not including lunch periods and recess
18 periods, except as provided in paragraph 2, subdivision (a), item (i) of this
19 subsection for children with disabilities up to a maximum of three hundred
20 sixty minutes each week.

21 (d) For high schools or ungraded schools in which the pupil is at
22 least fourteen years of age by September 1, the attendance of a pupil shall
23 not be counted as a full day unless the pupil is actually and physically in
24 attendance and enrolled in and carrying four subjects, each of which, if
25 taught each school day for the minimum number of days required in a school
26 year, would meet a minimum of one hundred twenty hours a year, or the
27 equivalent, that count toward graduation in a recognized high school except
28 as provided in section 15-797 and subdivision (e) of this paragraph.
29 Attendance of a pupil carrying less than the load prescribed shall be
30 prorated.

31 (e) For high schools or ungraded schools in which the pupil is at
32 least fourteen years of age by September 1, the attendance of a pupil may be
33 counted as one-fourth of a day's attendance for each sixty minutes of
34 instructional time in a subject that counts toward graduation, except that
35 attendance for a pupil shall not exceed the pupil's full or fractional
36 membership.

37 (f) For homebound or hospitalized, a full day of attendance may be
38 counted for each day during a week in which the student receives at least
39 four hours of instruction.

40 (g) For school districts which maintain school for an approved
41 year-round school year operation, attendance shall be based on a computation,
42 as prescribed by the superintendent of public instruction, of the one hundred
43 eighty days' equivalency or two hundred days' equivalency, as applicable, of
44 instructional time as approved by the superintendent of public instruction
45 during which each pupil is enrolled.

1 ~~7. "Daily route mileage" means the sum of:~~
2 ~~(a) The total number of miles driven daily by all buses of a school~~
3 ~~district while transporting eligible students from their residence to the~~
4 ~~school of attendance and from the school of attendance to their residence on~~
5 ~~scheduled routes approved by the superintendent of public instruction.~~
6 ~~(b) The total number of miles driven daily on routes approved by the~~
7 ~~superintendent of public instruction for which a private party, a political~~
8 ~~subdivision or a common or a contract carrier is reimbursed for bringing an~~
9 ~~eligible student from the place of his residence to a school transportation~~
10 ~~pickup point or to the school of attendance and from the school~~
11 ~~transportation scheduled return point or from the school of attendance to his~~
12 ~~residence. Daily route mileage includes the total number of miles necessary~~
13 ~~to drive to transport eligible students from and to their residence as~~
14 ~~provided in this paragraph.~~
15 8. 7. "District support level" means the base support level plus the
16 transportation support level.
17 ~~9. "Eligible students" means:~~
18 ~~(a) Students who are transported by or for a school district and who~~
19 ~~qualify as full-time students or fractional students, except students for~~
20 ~~whom transportation is paid by another school district or a county school~~
21 ~~superintendent, and:~~
22 ~~(i) For common school students, whose place of actual residence within~~
23 ~~the school district is more than one mile from the school facility of~~
24 ~~attendance or students who are admitted pursuant to section 15-816.01 and who~~
25 ~~meet the economic eligibility requirements established under the national~~
26 ~~school lunch and child nutrition acts (42 United States Code sections 1751~~
27 ~~through 1785) for free or reduced price lunches and whose actual place of~~
28 ~~residence outside the school district boundaries is more than one mile from~~
29 ~~the school facility of attendance.~~
30 ~~(ii) For high school students, whose place of actual residence within~~
31 ~~the school district is more than one and one half miles from the school~~
32 ~~facility of attendance or students who are admitted pursuant to section~~
33 ~~15-816.01 and who meet the economic eligibility requirements established~~
34 ~~under the national school lunch and child nutrition acts (42 United States~~
35 ~~Code sections 1751 through 1785) for free or reduced price lunches and whose~~
36 ~~actual place of residence outside the school district boundaries is more than~~
37 ~~one and one half miles from the school facility of attendance.~~
38 ~~(b) Kindergarten students, for purposes of computing the number of~~
39 ~~eligible students under subdivision (a), item (i) of this paragraph, shall be~~
40 ~~counted as full-time students, notwithstanding any other provision of law.~~
41 ~~(c) Children with disabilities, as defined by section 15-761, who are~~
42 ~~transported by or for the school district or who are admitted pursuant to~~
43 ~~chapter 8, article 1.1 of this title and who qualify as full-time students or~~
44 ~~fractional students regardless of location or residence within the school~~

1 ~~district or children with disabilities whose transportation is required by~~
2 ~~the pupil's individualized education program.~~

3 ~~(d) Students whose residence is outside the school district and who~~
4 ~~are transported within the school district on the same basis as students who~~
5 ~~reside in the school district.~~

6 ~~10.~~ 8. "Enrolled" or "enrollment" means when a pupil is currently
7 registered in the school district.

8 ~~11.~~ 9. "GDP price deflator" means the average of the four implicit
9 price deflators for the gross domestic product reported by the United States
10 department of commerce for the four quarters of the calendar year.

11 ~~12.~~ 10. "High school district" means a political subdivision of this
12 state offering instruction to students for grades nine through twelve or that
13 portion of the budget of a common school district which is allocated to
14 teaching high school subjects with permission of the state board of
15 education.

16 ~~13.~~ 11. "Revenue control limit" means the base revenue control limit
17 ~~plus the transportation revenue control limit.~~

18 ~~14.~~ 12. "Student count" means average daily membership as prescribed
19 in this subsection for the fiscal year prior to the current year, except that
20 for the purpose of budget preparation student count means average daily
21 membership as prescribed in this subsection for the current year.

22 ~~15.~~ 13. "Submit electronically" means submitted in a format and in a
23 manner prescribed by the department of education.

24 ~~16. "Total bus mileage" means the total number of miles driven by all~~
25 ~~buses of a school district during the school year.~~

26 ~~17. "Total students transported" means all eligible students~~
27 ~~transported from their place of residence to a school transportation pickup~~
28 ~~point or to the school of attendance and from the school of attendance or~~
29 ~~from the school transportation scheduled return point to their place of~~
30 ~~residence.~~

31 14. "TOTAL DISTRICT TRANSPORTATION MILEAGE" MEANS THE SUM OF:

32 (a) THE TOTAL NUMBER OF MILES DRIVEN ANNUALLY BY ALL BUSES OF A SCHOOL
33 DISTRICT ATTRIBUTABLE TO TRANSPORTING STUDENTS FROM THEIR RESIDENCE TO THE
34 SCHOOL OF ATTENDANCE AND FROM THE SCHOOL OF ATTENDANCE TO THEIR RESIDENCE ON
35 SCHEDULED ROUTES APPROVED BY THE SCHOOL DISTRICT GOVERNING BOARD.

36 (b) THE TOTAL NUMBER OF MILES DRIVEN ANNUALLY BY ALL BUSES OF A SCHOOL
37 DISTRICT WHILE TRANSPORTING STUDENTS FOR ACADEMIC EXPERIENCES THAT ARE NOT
38 LOCATED AT THE SCHOOL OF ATTENDANCE AND THAT ARE APPROVED BY THE SCHOOL
39 DISTRICT GOVERNING BOARD.

40 (c) THE TOTAL NUMBER OF MILES DRIVEN ANNUALLY BY ALL BUSES OF A SCHOOL
41 DISTRICT WHILE TRANSPORTING STUDENTS FOR CAREER AND TECHNICAL EDUCATION
42 PROGRAMS THAT ARE NOT LOCATED AT THE SCHOOL OF ATTENDANCE AND THAT ARE
43 APPROVED BY THE SCHOOL DISTRICT GOVERNING BOARD.

44 (d) THE TOTAL NUMBER OF MILES DRIVEN ANNUALLY BY ALL BUSES OF A SCHOOL
45 DISTRICT WHILE TRANSPORTING STUDENTS TO ATHLETIC EVENTS THAT ARE NOT LOCATED

1 AT THE SCHOOL OF ATTENDANCE AND THAT ARE APPROVED BY THE SCHOOL DISTRICT
2 GOVERNING BOARD.

3 ~~18-~~ 15. "Unified school district" means a political subdivision of the
4 state offering instruction to students in programs for preschool children
5 with disabilities and kindergarten programs and grades one through twelve.

6 B. In this title, unless the context otherwise requires:

7 1. "Base" means the revenue level per student count specified by the
8 legislature.

9 2. "Base level" means:

10 (a) For fiscal year 2004-2005, two thousand eight hundred ninety-three
11 dollars eighteen cents.

12 (b) For fiscal year 2005-2006, three thousand one dollars.

13 (c) For fiscal year 2006-2007, three thousand one hundred thirty-three
14 dollars fifty-three cents.

15 3. "Base revenue control limit" means the base revenue control limit
16 computed as provided in section 15-944.

17 4. "Base support level" means the base support level as provided in
18 section 15-943.

19 5. "Certified teacher" means a person who is certified as a teacher
20 pursuant to the rules adopted by the state board of education, who renders
21 direct and personal services to school children in the form of instruction
22 related to the school district's educational course of study and who is paid
23 from the maintenance and operation section of the budget.

24 6. "ED, MIMR, SLD, SLI and OHI" means programs for children with
25 emotional disabilities, mild mental retardation, a specific learning
26 disability, a speech/language impairment and other health impairments.

27 7. "ED-P" means programs for children with emotional disabilities who
28 are enrolled in private special education programs as prescribed in section
29 15-765, subsection D, paragraph 1 or in an intensive school district program
30 as provided in section 15-765, subsection D, paragraph 2.

31 8. "ELL" means English learners who do not speak English or whose
32 native language is not English, who are not currently able to perform
33 ordinary classroom work in English and who are enrolled in an English
34 language education program pursuant to sections 15-751, 15-752 and 15-753.

35 9. "Full-time equivalent certified teacher" or "FTE certified teacher"
36 means for a certified teacher the following:

37 (a) If employed full time as defined in section 15-501, 1.00.

38 (b) If employed less than full time, multiply 1.00 by the percentage
39 of a full school day, or its equivalent, or a full class load, or its
40 equivalent, for which the teacher is employed as determined by the governing
41 board.

42 10. "Group A" means educational programs for career exploration, a
43 specific learning disability, an emotional disability, mild mental
44 retardation, remedial education, a speech/language impairment, homebound,

1 bilingual, preschool moderate delay, preschool speech/language delay, other
2 health impairments and gifted pupils.

3 11. "Group B" means educational improvements for pupils in kindergarten
4 programs and grades one through three, educational programs for autism, a
5 hearing impairment, moderate mental retardation, multiple disabilities,
6 multiple disabilities with severe sensory impairment, orthopedic impairments,
7 preschool severe delay, severe mental retardation and emotional disabilities
8 for school age pupils enrolled in private special education programs or in
9 school district programs for children with severe disabilities or visual
10 impairment and English learners enrolled in a program to promote English
11 language proficiency pursuant to section 15-752.

12 12. "HI" means programs for pupils with hearing impairment.

13 13. "Homebound" or "hospitalized" means a pupil who is capable of
14 profiting from academic instruction but is unable to attend school due to
15 illness, disease, accident or other health conditions, who has been examined
16 by a competent medical doctor and who is certified by that doctor as being
17 unable to attend regular classes for a period of not less than three school
18 months or a pupil who is capable of profiting from academic instruction but
19 is unable to attend school regularly due to chronic or acute health problems,
20 who has been examined by a competent medical doctor and who is certified by
21 that doctor as being unable to attend regular classes for intermittent
22 periods of time totaling three school months during a school year. The
23 medical certification shall state the general medical condition, such as
24 illness, disease or chronic health condition, that is the reason that the
25 pupil is unable to attend school. Homebound or hospitalized includes a
26 student who is unable to attend school for a period of less than three months
27 due to a pregnancy if a competent medical doctor, after an examination,
28 certifies that the student is unable to attend regular classes due to risk to
29 the pregnancy or to the student's health.

30 14. "K" means kindergarten programs.

31 15. "K-3" means kindergarten programs and grades one through three.

32 16. "MD-R, A-R and SMR-R" means resource programs for pupils with
33 multiple disabilities, autism and severe mental retardation.

34 17. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils
35 with multiple disabilities, autism and severe mental retardation.

36 18. "MDSSI" means a program for pupils with multiple disabilities with
37 severe sensory impairment.

38 19. "MOMR" means programs for pupils with moderate mental retardation.

39 20. "OI-R" means a resource program for pupils with orthopedic
40 impairments.

41 21. "OI-SC" means a self-contained program for pupils with orthopedic
42 impairments.

43 22. "PSD" means preschool programs for children with disabilities as
44 provided in section 15-771.

1 23. "P-SD" means programs for children who meet the definition of
2 preschool severe delay as provided in section 15-771.

3 24. "Qualifying tax rate" means the qualifying tax rate specified in
4 section 15-971 applied to the assessed valuation used for primary property
5 taxes.

6 25. "Small isolated school district" means a school district which
7 meets all of the following:

8 (a) Has a student count of fewer than six hundred in kindergarten
9 programs and grades one through eight or grades nine through twelve.

10 (b) Contains no school which is fewer than thirty miles by the most
11 reasonable route from another school, or, if road conditions and terrain make
12 the driving slow or hazardous, fifteen miles from another school which
13 teaches one or more of the same grades and is operated by another school
14 district in this state.

15 (c) Is designated as a small isolated school district by the
16 superintendent of public instruction.

17 26. "Small school district" means a school district which meets all of
18 the following:

19 (a) Has a student count of fewer than six hundred in kindergarten
20 programs and grades one through eight or grades nine through twelve.

21 (b) Contains at least one school which is fewer than thirty miles by
22 the most reasonable route from another school which teaches one or more of
23 the same grades and is operated by another school district in this state.

24 (c) Is designated as a small school district by the superintendent of
25 public instruction.

26 ~~27. "Transportation revenue control limit" means the transportation~~
27 ~~revenue control limit computed as prescribed in section 15-946.~~

28 27. "Transportation support level" means the support level for
29 pupil transportation operating expenses as provided in section 15-945.

30 ~~29.~~ 28. "VI" means programs for pupils with visual impairments.

31 ~~30.~~ 29. "Voc. Ed." means career and technical education and vocational
32 education programs, as defined in section 15-781.

33 Sec. 2. Repeal

34 Section 15-921, Arizona Revised Statutes, is repealed.

35 Sec. 3. Section 15-922, Arizona Revised Statutes, is amended to read:

36 15-922. Duties of the school district; definition

37 A. Each school district, ~~shall~~ within twelve days after the first one
38 hundred days or two hundred days in session, as applicable, ~~SHALL~~ certify to
39 the superintendent of public instruction, in an electronic format as
40 prescribed by the department of education, the following:

41 1. The ~~daily~~ route mileage of the school district in the current year.
42 ~~The route mileage shall not include more than twenty miles each way to and~~
43 ~~from the school of attendance or to and from a pickup point on a regular~~
44 ~~transportation route to transport eligible students who reside in nonadjacent~~
45 ~~school districts.~~

1 2. The route mileage of the school district in the current year
2 transporting ~~eligible~~ students ~~for an extended school year services in~~
3 ~~accordance with section 15-881~~ WITH DISABILITIES PURSUANT TO SECTION 15-945,
4 SUBSECTION B.

5 ~~3. The number of eligible students transported during the current~~
6 ~~year.~~

7 B. Each school district ~~shall~~ on or before July 15 of the current year
8 SHALL certify to the superintendent of public instruction the following:

9 1. For each bus operated by the school district, the following:

10 (a) The odometer reading as of the end of the current year.

11 (b) An inventory of each school bus owned by the school district,
12 including:

13 (i) THE manufacturer of the bus.

14 (ii) THE date of purchase.

15 (iii) THE purchase price.

16 (iv) THE capacity for passengers.

17 (v) THE type of fuel used.

18 2. The total bus mileage during the current year.

19 3. The road conditions ~~upon~~ ON which ~~eligible~~ students are transported
20 reported in a format specified by the superintendent of public instruction.

21 4. The total bus mileage for the current year for academic and career
22 and technical education and vocational education and athletic trips reported
23 in a format specified by the superintendent of public instruction.

24 C. A school district shall meet the requirements of this section to
25 receive state aid. The superintendent of public instruction may withhold a
26 school district's apportionment of state aid if it is determined by the
27 superintendent of public instruction that the school district is not
28 complying with the requirements of this section.

29 D. For the purposes of this article and section 15-901, "school bus"
30 or "bus" means a bus as defined in section 28-101, except that the passenger
31 capacity standards prescribed in that section do not apply.

32 Sec. 4. Repeal

33 Sections 15-945 and 15-946, Arizona Revised Statutes, are repealed.

34 Sec. 5. Title 15, chapter 9, article 3, Arizona Revised Statutes, is
35 amended by adding a new section 15-945, to read:

36 15-945. Transportation support level for district maintenance
37 and operations budget

38 A. THE TRANSPORTATION SUPPORT LEVEL PORTION OF A SCHOOL DISTRICT'S
39 GENERAL BUDGET SHALL BE DETERMINED AS FOLLOWS:

40 1. DETERMINE THE TOTAL DISTRICT TRANSPORTATION MILEAGE FOR THE PRIOR
41 FISCAL YEAR.

42 2. ADD THE ANTICIPATED INCREASED OR DECREASED MILEAGE FOR THE CURRENT
43 FISCAL YEAR BASED ON APPROVED ROUTE MILES AND APPROVED TRANSPORTATION
44 CONTRACT AGREEMENTS PURSUANT TO SECTION 15-923.

1 3. MULTIPLY THE AMOUNT DETERMINED IN PARAGRAPH 2 OF THIS SUBSECTION BY
2 THREE DOLLARS FIFTY CENTS. THIS AMOUNT SHALL BE ADJUSTED ANNUALLY BY THE GDP
3 PRICE DEFLATOR, SUBJECT TO APPROPRIATION.

4 4. ADD THE AMOUNT ESTIMATED TO BE SPENT FOR BUS TOKENS AND BUS PASSES
5 FOR STUDENTS THAT USE PUBLIC TRANSPORTATION.

6 5. SUBTRACT ANTICIPATED TRANSPORTATION REVENUES FROM ALL OTHER
7 SOURCES, INCLUDING TRANSPORTATION REVENUES FROM OTHER SCHOOL DISTRICTS FOR
8 STUDENTS FOR WHOM TUITION IS CHARGED TO ATTEND THE SCHOOL DISTRICT.

9 B. IN ADDITION TO THE TRANSPORTATION SUPPORT LEVEL DETERMINED IN
10 SUBSECTION A OF THIS SECTION, SCHOOL DISTRICTS SHALL SEPARATELY DETERMINE THE
11 TRANSPORTATION SUPPORT LEVEL FOR EXTENDED SCHOOL YEAR PROGRAMS FOR PUPILS
12 WITH DISABILITIES AS FOLLOWS:

13 1. DETERMINE THE TOTAL DISTRICT TRANSPORTATION MILEAGE OF SCHOOL
14 DISTRICT VEHICLES OR VEHICLES THAT ARE OWNED OR OPERATED BY PRIVATE ENTITIES,
15 OTHER POLITICAL SUBDIVISIONS, COMMON CARRIERS OR CONTRACT CARRIERS AND THAT
16 ARE REIMBURSED BY THE SCHOOL DISTRICT FOR TRANSPORTING STUDENTS WITH
17 DISABILITIES BY ADDING THE FOLLOWING:

18 (a) THE TOTAL NUMBER OF MILES DRIVEN ANNUALLY ATTRIBUTABLE TO
19 TRANSPORTING STUDENTS WITH DISABILITIES FROM THEIR RESIDENCE TO THE SCHOOL OF
20 ATTENDANCE AND FROM THE SCHOOL OF ATTENDANCE TO THEIR RESIDENCE.

21 (b) THE TOTAL NUMBER OF MILES DRIVEN ANNUALLY TO TRANSPORT STUDENTS
22 WITH DISABILITIES FOR ACADEMIC EXPERIENCES THAT ARE NOT LOCATED AT THE SCHOOL
23 OF ATTENDANCE.

24 (c) THE TOTAL NUMBER OF MILES DRIVEN ANNUALLY TO TRANSPORT STUDENTS
25 WITH DISABILITIES FOR CAREER AND TECHNICAL EDUCATION PROGRAMS THAT ARE NOT
26 LOCATED AT THE SCHOOL OF ATTENDANCE.

27 (d) THE TOTAL NUMBER OF MILES DRIVEN ANNUALLY TO TRANSPORT STUDENTS
28 WITH DISABILITIES TO ATHLETIC EVENTS THAT ARE NOT LOCATED AT THE SCHOOL OF
29 ATTENDANCE.

30 2. MULTIPLY THE AMOUNT DETERMINED IN PARAGRAPH 1 OF THIS SUBSECTION BY
31 THREE DOLLARS SEVENTY-FIVE CENTS.

32 C. THE TRANSPORTATION SUPPORT LEVEL FOR A SCHOOL DISTRICT IS THE SUM
33 OF THE AMOUNTS DETERMINED IN SUBSECTIONS A AND B OF THIS SECTION.

34 Sec. 6. Section 15-947, Arizona Revised Statutes, is amended to read:

35 15-947. Revenue control limit; district support level; general
36 budget limit; unrestricted total capital budget
37 limit; soft capital allocation limit

38 A. The revenue control limit for a school district is equal to ~~the sum~~
39 ~~of~~ the base revenue control limit determined in section 15-944 ~~and the~~
40 ~~transportation revenue control limit determined in section 15-946.~~

41 B. The district support level for a school district is equal to the
42 sum of the base support level determined in section 15-943 and the
43 transportation support level determined in section 15-945.

44 C. The general budget limit for each school district, for each fiscal
45 year, is the sum of the following:

- 1 1. The maintenance and operations portion of the revenue control limit
2 for the budget year.
- 3 2. The maintenance and operation portion of the following amounts:
4 (a) Amounts that are fully funded by revenues other than a levy of
5 taxes ~~upon~~ ON the taxable property within the school district, as listed
6 below:
- 7 (i) Amounts budgeted as the budget balance carryforward as provided in
8 section 15-943.01.
- 9 (ii) Tuition revenues for attendance of nonresident pupils.
- 10 (iii) State assistance as provided in section 15-976.
- 11 (iv) Special education revenues as provided in section 15-825,
12 subsection D and section 15-1204.
- 13 (v) P.L. 81-874 assistance determined for children with disabilities,
14 children with specific learning disabilities and children residing on Indian
15 lands as provided in section 15-905, subsections K and O.
- 16 (vi) P.L. 81-874 administrative costs as provided in section 15-905,
17 subsection P.
- 18 (vii) State assistance for excess tuition as provided in section
19 15-825.01.
- 20 (viii) Amounts received from the state board of education pursuant to
21 section 15-973.01.
- 22 (b) Amounts approved pursuant to an override election as provided in
23 section 15-481 for the applicable fiscal year.
- 24 (c) Expenditures for excess utility costs as provided in section
25 15-910.
- 26 (d) Amounts authorized by the county school superintendent pursuant to
27 section 15-974, subsection C.
- 28 (e) Expenditures for complying with a court order of desegregation as
29 provided in section 15-910.
- 30 (f) Expenditures for the bond issues portion of the cost of tuition as
31 provided in section 15-910.
- 32 (g) Interest on registered warrants or tax anticipation notes as
33 provided in section 15-910.
- 34 (h) Amounts budgeted for a jointly owned and operated career and
35 technical education and vocational education center as provided in section
36 15-910.01.
- 37 ~~(i) Amount of energy reduction adjustment pursuant to section~~
38 ~~15-910.02.~~
- 39 3. The maintenance and operations portion of the capital outlay
40 revenue limit for the budget year.
- 41 4. Any other budget item that is budgeted in the maintenance and
42 operation section of the budget and that is specifically exempt from the
43 revenue control limit or the capital outlay revenue limit.
- 44 D. The unrestricted capital budget limit, for each school district for
45 each fiscal year, is the sum of the following:

- 1 1. The federal impact adjustment as determined in section 15-964 for
2 the budget year.
- 3 2. Any other budget item that is budgeted in the capital outlay
4 section of the budget and that is specifically exempt from the capital outlay
5 revenue limit.
- 6 3. The capital portion of the amounts contained in subsection
7 C, paragraph 2 of this section.
- 8 4. The unexpended budget balance in the unrestricted capital outlay
9 fund from the previous fiscal year.
- 10 5. The net interest earned in the unrestricted capital outlay fund the
11 previous fiscal year.
- 12 E. The soft capital allocation limit for each school district for each
13 fiscal year is the sum of the following:
- 14 1. The soft capital allocation for the budget year.
- 15 2. The unexpended budget balance in the soft capital allocation fund
16 from the previous fiscal year.
- 17 3. The net interest earned in the soft capital allocation fund the
18 previous fiscal year.
- 19 Sec. 7. Section 15-963, Arizona Revised Statutes, is amended to read:
20 15-963. Capital transportation adjustment for small school
21 districts
- 22 A. A school district may apply to the state board of education for a
23 capital transportation adjustment for the purchase of a transportation
24 vehicle if the district meets all of the following requirements:
- 25 1. Has a student count of fewer than six hundred in kindergarten
26 programs and grades one through twelve.
- 27 2. Transports as eligible students at least one-third of the total
28 student count of the school district.
- 29 ~~3. Has an approved daily route mileage per eligible student~~
30 ~~transported of more than 1.0, computed as prescribed in section 15-945,~~
31 ~~subsection A, paragraph 4.~~
- 32 B. If a school district receives a capital transportation adjustment
33 as provided in this section, the soft capital allocation limit for that
34 district shall be equal to the capital levy revenue limit or the soft capital
35 allocation limit determined as prescribed in section 15-962 plus any
36 additional amount approved by the state board of education.
- 37 C. The state board of education may grant a capital transportation
38 adjustment to a school district ~~which~~ THAT meets the qualifications
39 prescribed in subsection A of this section, except that the total amount of
40 all additional amounts approved as capital transportation adjustments for all
41 school districts for a fiscal year shall not exceed twenty per cent of the
42 total amount ~~which~~ a county may budget for that fiscal year in all small
43 district service program funds as provided in section 15-365, subsection F.

1 Sec. 8. Section 15-1001, Arizona Revised Statutes, is amended to read:
2 15-1001. Special county school reserve fund

3 A. The board of supervisors of each county shall annually budget for
4 the special county school reserve fund an amount to meet the requirements of
5 that fund. Warrants drawn on the special county school reserve fund shall be
6 approved prior to payment by the board of supervisors, as other county
7 warrants are approved, or this responsibility may be delegated by the board
8 of supervisors to the county school superintendent. The budgeted amounts for
9 the special county school reserve fund shall be itemized and estimated to
10 meet the following needs:

11 1. For transportation of school children to and from one-room and
12 two-room rural schools that are determined by the county school
13 superintendent to be in need of such aid.

14 2. For transportation to and from unorganized territory to school
15 districts of children who are eligible to receive state aid.

16 3. For transportation to and from the nearest high school of pupils
17 residing in common school districts ~~which~~ THAT are contiguous or not
18 contiguous to and ~~which~~ THAT are not within a high school district if it is
19 determined by the county school superintendent that such common school
20 districts are in need of such aid to supplement the monies received as
21 provided in subsection B of this section.

22 4. For one-room and two-room school districts, an amount ~~which~~ THAT
23 when added to the state aid for a school district will provide not more than
24 five thousand dollars for a one-room school and not more than nine thousand
25 dollars for a two-room school, provided that such schools are maintained for
26 a minimum of one hundred seventy-five days or two hundred days, as
27 applicable, per year.

28 5. For necessary expenses for the establishment and conduct of
29 accommodation schools pursuant to section 15-308.

30 6. For expenditures necessary to establish and maintain, for the first
31 year of operation, a county special education program for children with
32 disabilities as provided in chapter 7, article 4 of this title.

33 B. The county school superintendent shall determine the eligibility
34 for transportation aid for the transportation of children from unorganized
35 territory to school districts within that county in the manner provided in
36 this chapter for other school districts and shall certify the eligibility to
37 the department of education.

38 C. The county school superintendent shall determine the amount of
39 transportation aid for transportation of children from unorganized territory
40 to school districts within that county based ~~upon the provisions of ON~~
41 section 15-945, ~~subsection A, paragraphs 1 and 2~~, except that such
42 transportation aid shall not exceed the actual cost of providing such
43 transportation. The county school superintendent shall certify the amount to
44 the department of education, which shall apportion the monies no later than
45 the second Monday in EACH September, December, March and June.